

REGION V "TAKE FIVE" NEWSLETTER

Midwest Entrepreneurs' Small Business Resource

SBA Region V Office Services the States of Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin

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Helping small businesses **start, grow and succeed.**

Your Small Business Resource

MESSAGE FROM THE REGION V ADMINISTRATOR PATRICK E. REA

Examining Region V's Economic Landscape for Small Businesses



Patrick E. Rea
Region V Administrator

Welcome to another edition of "Take Five"! Over the past few months, the Midwest Region has experienced a series of natural disasters such as the recent floodings. Throughout these situations, SBA has responded appropriately with a number of on-site disaster relief resources. During this time we are also educating Region V's small businesses on how to grow and succeed in the current economy.

As we move forward, I believe we need to continue assessing the economic landscape for small businesses in Region V. Most recently, I began launching a series of Region V Economists Forums in my six state region. The Forums are designed to gather perspectives on the current regional economic trends from area senior economists. The results of the data collected during these meetings will be compiled and presented at SBA's senior executive leadership conference in September 2008.

We kicked-off our initial forum in Cleveland, Ohio with our local district office. The following pages capture the highlights from the Cleveland event featuring highly informative discussions with senior economists from the Federal Reserve Bank of Cleveland, Case Western Reserve University, Cleveland State University, and the private sector. There will be future Region V Economists Forums in Detroit, Chicago, Indianapolis, Milwaukee, Minneapolis, and Columbus.

It is my vision that these discussions will help shape the small business economic landscape throughout Region V. For more information on our SBA products and services, please visit www.sba.gov.

OFFICE OF ADVOCACY STUDY ON "HIGH-IMPACT FIRMS" REGION V HAS OVER 58,000 OF THESE IMPORTANT FIRMS

by Ray Marchiori, Region V Advocate, SBA Office of Advocacy

According to a study recently released by the Office of Advocacy, high-impact firms are important to regional economic development and create new jobs and growth. Distributed across all industries, high-impact firms account for almost all employment and revenue growth in the national economy.

Of the 376,604 high impact firms identified by researchers nationwide, 58,259 are located in Region V. That number represents over 15 percent of national firms.

The study *High-Impact Firms: Gazelles Revisited*, defines high-impact firms



Ray Marchiori
Region V Advocate

as those whose sales have at least doubled over a four-year period and which have an employment "growth quantifier" (the firm's absolute change in employment multiplied by the percent change) of two or more.

The purpose of the study is to revisit and expand upon some of the conclusions on rapidly growing firms made by the small business research pioneer, David Birch, in the 1980s. The report notes that "high impact" firms are found across all industries and in all geographic regions.

It ranks regions, states, metropolitan statistical areas, and counties by their percentage of high-impact firms. The study finds, with some data limitations, that high-impact firms

are not start-ups but are on average around 25 years old, and that they come in all size classes. The report also documents that over the periods studied, nearly all job losses came from large, low-impact firms.

Additional highlights from the current study are as follows:

- From 2002 to 2006 there were 376,604 high impact firms in the United States. This number increased from 299,973 between 1998-2002 and was greater than the 352,114 firms in the 1994-1998 period of analysis.
- During the 1994-2006 period, firms with fewer than 20 employees represented 93.8 percent of the high-impact firms and 33.5 percent of job growth among high-impact firms, while firms with 20 to 499 employees represented 5.9 percent and 24.1 percent, respectively.
- In the four years after a high-impact firm undergoes its high-growth phase, only about 3 percent die. The study found that most remain in business and exhibit at least some growth.

- The data suggest that local economic development officials would benefit from recognizing the value of cultivating high-growth firms versus trying to increase entrepreneurship overall or trying to attract relocating companies when utilizing their resources.

For more information, a complete copy of the report and rankings of high-impact firms by region, state, MSA, and county, visit the Office of Advocacy website at www.sba.gov/advo.

Ray Marchiori is the Midwestern Regional Advocate for the Office of Advocacy of the U.S. Small Business Administration. He is the direct link between small business owners, state and local government agencies, state legislators, small business associations, and SBA's Office of Advocacy. Contact Ray Marchiori at (312) 353-8614 or raymond.marchiori@sba.gov.

SBA HONORS WISCONSIN'S NEWEST PREFERRED LENDER

On Wednesday, July 9, 2008, at a ceremony at Johnson Bank's corporate headquarters in Racine, President/CEO of Johnson Financial Group, Inc. Richard A. Hansen was presented with a PLP Plaque by SBA Region V Administrator Patrick Rea in recognition of Johnson Bank attaining Preferred Lender status with the Small Business Administration.

Additional attendees at the presentation were Wisconsin SBA District Director Eric Ness and Business Development Specialist Joe Rosner, Johnson Bank's Assistant Vice President for Corporate Credit Chris J. Wood, SVP-Director of Commercial Banking Services Chris Ott and Corporate Credit Officer Amy Klaus.

The Preferred Lenders Program (PLP) is another step in SBA's process of "streamlining" the procedures necessary to provide financial assistance to the small business community. Under PLP, SBA delegates loan approval, closing, and most servicing and liquidation authority and responsibility to these carefully selected lenders. They are also required to have the ability to develop and analyze complete loan packages and a satisfactory performance history with SBA. Johnson is one of these selected lenders.

"We are pleased to congratulate Johnson Bank on their top performance in SBA's Preferred Lenders Program (PLP)," says SBA Region V Administrator Patrick Rea, "Johnson Bank joins an expanding national list of PLP lenders that are working in partnership to streamline the process of providing financial assistance to the small business

community".

Johnson Bank helps businesses grow through their flexible lending options. One of their options is to utilize government programs, which are available through the U.S. Small Business Administration as well as local community development corporations. Johnson tailors financing packages to fit specific needs that include lower down payments, smaller monthly payments, and long-term fixed interest rates. They can assist business expansions that want to compete in the global marketplace by being a partner in supporting international financial transactions.



Region V Administrator Patrick Rea presents SBA Preferred Lender Award to and President/CEO of Johnson Financial Group, Inc. Richard A. Hansen (pictured right).

"We are very conservative with our lending practices, but more importantly, we do the

right thing for our clients" said Richard Hansen, President and CEO. "It works."

Johnson Bank has a commitment to building meaningful, long-term relationships with their customers and is the inspiration behind the "Johnson Bank difference." They promise to provide outstanding customer service, expert guidance, comprehensive financial planning and the fullest range of products.

"We are extremely proud to recognize Johnson Bank as Wisconsin's newest preferred lender and look forward to a long and rewarding association" said SBA Wisconsin District Director Eric Ness.

"Johnson Bank joins an expanding national list of PLP lenders that are working in partnership to streamline the process of providing financial assistance to the small business community"

CLEVELAND HOSTS FIRST IN A SERIES OF REGION V ECONOMISTS FORUMS

The Cleveland District Office hosted the first in a series of seven planned Economist Forums on Tuesday July 8th. Regional Administrator Patrick Rea moderated the Northern Ohio Economist Forum, which was attended by economists from the Federal Reserve Bank of Cleveland, Case Western Reserve University, Cleveland State University, and the private sector.

The discussions of the Northern Ohio Economist Forum centered on the obstacles hindering economic growth in Northeast Ohio, and some valuable insights were offered by forum participants. Out of the open discussions grew a consensus of the obstacles to economic development unique to Northern Ohio. The obstacles to growth in Northern Ohio were mostly socio-political in nature.

Data gathered from each of the seven forums will be compiled and presented in early September. It is anticipated that the data gathered will be utilized to focus SBA financial products, programs and partners in support of future city, state and regional economic development objectives.

Future forums will be offered in Central Ohio, Illinois, Indiana, Michigan, Minnesota, and

Wisconsin. Each forum is designed to provide an informal setting for gathering the most current information and professional concepts on what economic factors are affecting SBA's Districts and the Midwest Region. The informal forums will encourage each economist to discuss their position on the current state of the local economy and then offer strategies to support economic growth. Invitations for each of the forums will be extended to a small group of regional economists from major universities, State and Federal offices, and the private sector.



Region V Administrator Patrick Rea (pictured far right)

REGION V ECONOMIST FORUM SCHEDULE

The Region V Economist Forums will occur throughout Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

Detroit, MI	August 6 th
Chicago, IL	August 12 th
Indianapolis, IN	August 21 st
Milwaukee WI	August 22 nd
Minneapolis, MN	August 27 th
Columbus, OH	August 28 th

TAKE FIVE CONGRATS CORNER

MAKING THE GRADE

We are pleased to announce that Carol L. Thompson (*pictured right*) has been named the Assistant Director for Management and Technical Assistance with the U.S. Small Business Administration's Office of Government Contracting and Business Development, Office of Business Development, Management and Technical Assistance, located in Washington, D.C.



Ms. Thompson brings a wealth of experience to her new position. With over twenty-four years of contracting experience, Carol has served as the National Program Manager for two highly visible SBA programs, the Mentor-Protégé and BusinessLINC programs. As a certified career Level III Contracting Officer, Carol has served in a Critical Acquisition Position (CAP) and is a member of the Defense Acquisition Corps (DAC) of Female Executives (NAFE) and a host of other organizations.

Please join the Illinois District Office as we congratulate Carol L. Thompson on her recent promotion. She will be missed.

WELCOME ABOARD



The Indiana SBA District Office is pleased to announce the hiring of Sharon Murff (*pictured left*) as the new Public Information Officer. Murff comes to SBA with over 19 years of experience in radio/TV sales, marketing and advertising. Before joining the agency she was the Media/Special Events Director at Promotus Advertising the largest minority advertising agency in the state of Indiana. Prior to working in the field of advertising she spent 15 years working at a local TV and radio station where she was everything from Public Affairs Director, Promotions Director to NTR Sales Director. She is a graduate of Butler University with a Bachelors degree in Radio/TV and Journalism. Murff is a native of Indianapolis, IN where she resides with her 19 year old son and dog "Chopper".

TOP CHEF FOR COLUMBUS

Phil Morrison, Columbus District Counsel and "resident chef" (*pictured right*), recently placed second in the Columbus barbecue sauce contest at Columbus' downtown North Market. There were a total of 15 entries from several local businesses and amateur contestants. Contestants came from as far away as Indiana and Kentucky. The judges included several local chefs. Phil's prize-winning, secret recipe is a "St. Louis style" rib sauce which combines molasses, tomato sauce, and other spices. Phil came up with the recipe for the sauce while experimenting in his kitchen at home. He was trying to make a sauce that his 5-year old daughter would eat and enjoy. Phil has offered to make samples of his sauce for anyone visiting Columbus, but he says the recipe is still "attorney-client" privileged!"



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